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**Gary Christenson, Mayor**

Tuesday, May 31, 2016

The Honorable Malden City Council  
200 Pleasant Street  
Malden, MA 02148

Dear Council:

I hereby submit an amended proposed Fiscal Year 2017 budget in the amount of \$173,576,795 for your consideration.

This amended budget reflects the changes outlined below, each of which is necessary due to developments that occurred after the original submission. In addition, by formally resubmitting the budget reflecting these changes, this allows the City Council to continue the departmental budget hearings, conduct the public hearing, and pass a budget within the statutory time frame.

The changes to the amended proposed budget are as follows:

1. The initial idea of shifting the Cemetery Department's funding off-budget to the Perpetual Care Interest account can no longer occur due to the interest being transferred to the Perpetual Care Principal account during our most recent reconciliation. Massachusetts law does not allow for these funds to be used for sustaining annual budget costs. We also had to account for the portion of interest that was being utilized by the department before the funds were transferred to the principal account. That amount is prorated to cover expenses up until the interest can be used again which we estimate to be sometime in 2017.
2. In the Human Resources and Legal Departments, we propose that the \$51,000 we originally had set aside in the Legal Department for ongoing labor relation issues from an outside firm be shifted to someone in-house and this part-time position be managed by our Human Resources Director. This labor relations specialist will assist with all ongoing labor issues, contract negotiations, as well as other areas of employment matters including unemployment issues, personnel policies and procedures.
3. The Public Works Department was decreased by \$40,000 due to an inadvertent error. We left out funds from two line items in the Operating and Maintenance Costs that were meant to be collapsed and we neglected to add \$11,000 needed for the maintenance of all our turf fields.

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4. In the Unclassified Accounts, the Employee Separation Agreement program ended on Friday, May 27th and we had three employees sign up and as a result, the costs and savings have been updated to reflect the actual figures involved.

The only increased costs resulting from the Cemetery Department and Public Works Department miscalculations are covered by increasing the use of one-time reserves which can be found under Other Financing Sources in Revenues.

Again, I realize this has been difficult and I hope we can work together to weather this storm. Please contact me with any questions.

Sincerely,



**GARY CHRISTENSON**  
Mayor, City of Malden